

**GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA**

UNSTARRED QUESTION NO:2611
ANSWERED ON:16.12.2004
PERFORMANCE OF PSUs
Ramadass Prof. M

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

- (a) the main features of Government policy towards Public Sector industries;
- (b) the progress and impact of this policy on the performance of PSUs in the last three years;
- (c) the number of PSUs which have not yet signed the Memorandum of Understanding and the reasons therefor;
- (d) whether the Government is contemplating further reforms of Public Sector; and
- (e) if so, the details thereof?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES
(SHRI SONTOSH MOHAN DEV)

(a) As per National Common Minimum Programme (NCMP), the policy of the Government is to make the Central Public Sector Enterprises (CPSEs) strong and effective, to grant full managerial and commercial autonomy to successful profit-making companies, retention of 'Navratna' CPSEs, no privatisation of profit-making companies in general, revival/restructuring of sick CPSEs and sell-off or close down of chronically loss making CPSEs only after the legitimate dues and compensation of the workers are cleared.

(b) The impact of the Government policy on public sector enterprises is reflected on their performance over a period of time. The impact of the measures to be taken under the new policy shall be known after a couple of years. The performance of the CPSEs for last ten years is given in Table 1.19, page 24 of Volume-I of Public Enterprises Survey 2002-03, the latest period for which information is available. Public Enterprises Survey is a published document in the public domain and is placed annually in both the Houses of Parliament.

(c) Out of the 240 CPSEs as on 31.3.2003, 158 (including 51 subsidiaries) were sought to be covered under the MOU system during 2004-05. The remaining 82 CPSEs were excluded as 45 were referred to BIFR and 37 were either small, sick or 'under construction' companies. Out of 158 CPSEs, 107 were short listed to sign MOU for the year 2004-05. However, 4 CPSEs have not signed MOU so far as three viz. National Scheduled Tribe Finance & Development Corporation, Tehri Hydro Development Corporation and Hindustan Insecticides Ltd. have been exempted from signing MOU with the approval of Chairman, High Power Committee on MOU and one i.e. NTC (Holding) Co. Ltd. is yet to submit the draft MOU.

(d) and (e) The Government is working towards making a strong and effective public sector whose social objectives are met by its commercial functioning as per the policy mentioned at (a) above. Towards this end, several initiatives are on the anvil.